

Commonwealth of Kentucky Personnel Cabinet

Prepared for:
Kentucky Group Health Insurance Board Members

January 2007

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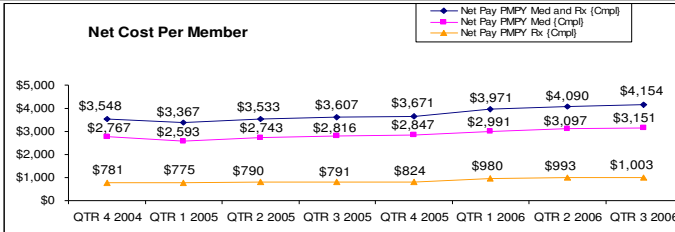
Dashboard Report

Based on Incurred Claims

Includes projections for Incurred but not yet reported claims (IBNR or CMPL)

| 1. Enrollment | | | |
|-------------------|----------------------|----------------------|----------|
| Fact | Sep 2005 Aug 2006 | Sep 2004 Aug 2005 | % Change |
| Employees Avg Med | 146,131 | 143,759 | 1.60% |
| Members Avg Med | 233,769 | 228,704 | 2.20% |
| Family Size Avg | 1.6 | 1.6 | 0.60% |
| Member Age Avg | 37.1 | 37.1 | 0.10% |

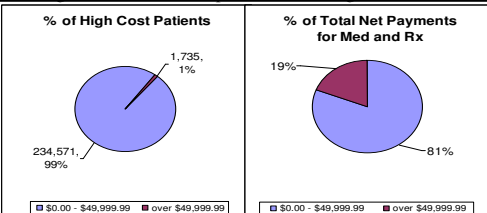
2. Net Claims Costs PMPY - (PMPY Costs as calculated at the end of each Quarter)



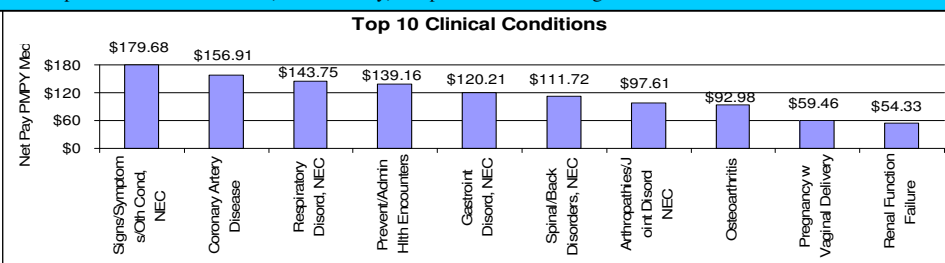
| 3. Allowed Claims Costs PMPY with Norms | | | | | |
|---|------------------------|------------------------|-------|-------------------|-----------------|
| | Sep 2004 - Aug 2005 | Sep 2005 - Aug 2006 | Trend | Recent US Norm | Comp to Norm |
| Allow Amt PMPY Med (Cmpl) | \$3,084.75 | \$3,370.82 | 9% | \$3,417.89 | -1.40% |
| Allow Amt PMPY IP Acute (Cmpl) | \$910.24 | \$963.43 | 6% | N/A | N/A |
| Allow Amt PMPY OP Med (Cmpl) | \$2,150.43 | \$2,391.11 | 11% | \$2,305.06 | 3.60% |
| Allow Amt PMPY OP Fac Med (Cmpl) | \$1,000.62 | \$1,009.71 | 1% | N/A | N/A |
| Allow Amt PMPY Office Med (Cmpl) | \$754.08 | \$852.87 | 13% | \$0.00 | N/A |
| Allow Amt PMPY OP Lab (Cmpl) | \$140.82 | \$186.01 | 32% | \$0.00 | N/A |
| Allow Amt PMPY OP Rad (Cmpl) | \$284.82 | \$384.59 | 35% | \$0.00 | N/A |
| Out of Pocket PMPY Med (Cmpl) | \$293.23 | \$317.47 | 8% | \$596.63 | -87.93% |
| Allow Amt PMPY Rx (Cmpl) | \$1,066.19 | \$1,153.71 | 8% | \$942.22 | 18.33% |
| Out of Pocket PMPY Rx (Cmpl) | \$278.02 | \$228.40 | -18% | \$0.00 | N/A |

Above Norm
Below Norm

4. High cost Claimants: September 2005 - August 2006



7. Top 10 Clinical Conditions (Medical Only): September 2005 to August 2006



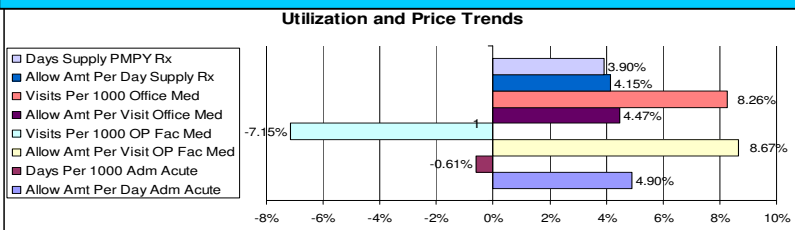
5. Prescription Drug Programs

| Fact | Sep 2004 - Aug 2005 | Sep 2005 - Aug 2006 | % Change |
|----------------------------------|------------------------|------------------------|----------|
| Mail Order Discount Off AWP % Rx | 27.62% | 30.83% | 11.60% |
| Scripts Generic Efficiency Rx | 85.30% | 89.52% | 4.94% |
| Retail Discount Off AWP % Rx | 25.91% | 31.12% | 20.13% |
| Scripts Generic Efficiency Rx | 90.67% | 93.30% | 2.89% |
| Total Discount Off AWP % Rx | 26.10% | 31.08% | 19.07% |
| Scripts Generic Efficiency Rx | 90.49% | 93.14% | 2.93% |
| Scripts Maint Rx % Mail Order | 5.10% | 6.49% | 27.45% |

6.b. Cost Driver Support Table

| Fact | Sep 2004 - Aug 2005 | Sep 2005 - Aug 2006 | % Change |
|--------------------------------|------------------------|------------------------|----------|
| Allow Amt Per Day Adm Acute | \$2,725.02 | \$2,858.48 | 4.90% |
| Days Per 1000 Adm Acute | 330.30 | 328.28 | -0.61% |
| Allow Amt Per Visit OP Fac Med | \$596.21 | \$647.92 | 8.67% |
| Visits Per 1000 OP Fac Med | 1,678.30 | 1,558.38 | -7.15% |
| Allow Amt Per Visit Office Med | \$102.87 | \$107.47 | 4.47% |
| Visits Per 1000 Office Med | 7,330.19 | 7,935.61 | 8.26% |
| Allow Amt Per Day Supply Rx | \$2.13 | \$2.22 | 4.15% |
| Days Supply PMPY Rx | 501.21 | 520.74 | 3.90% |

6. Cost Drivers



Introduction

The Department for Employee Insurance (DEI) is pleased to provide an analysis of the Kentucky Employees Health Plan. In response to requests for data analysis this report has been prepared to provide information related to enrollment, claims payment, and utilization.

It is the Department's intent to update this information on a monthly basis in an effort to continue to provide current information about Kentucky's Health Insurance Program.

Overview

This report is compiled using Medstat, which is DEI's health insurance information management system. Medstat warehouses enrollment and claims data. Enrollment data is provided by DEI while claims data is provided by each carrier and/or TPA.

Claims information may be analyzed by either "incurred" or "paid" dates. "Incurred" reports specify paid amounts for claims that were incurred in a specified timeframe. Due to the lag time in submittal and payment of claims, historical reports that are based on incurred claims may change significantly with each new database update since additional incurred claims will be added. "Paid" claims reports specify the paid amount for claims regardless of when the claims may have been incurred. Unless otherwise specified, data contained in this report are based on "incurred" claims.

Enrollment in the KEHP changes on a daily basis due to a variety of reasons such as: new hires, adding dependents, dropping dependents, marriage, divorce, becoming Medicare eligible, etc. Therefore, Medstat is dealing with a fluid enrollment base. Also, each carrier processes claims slightly differently. During 2005 Medstat processed enrollment information for a total of 253,984 members as well as 7,196,140 claims (3,083,368 Medical claims and 4,048,855 prescriptions) from five different carriers. When dealing with such large numbers it is impossible to tag every claim to a corresponding group, carrier, service type, etc. While the tagging rate for the KEHP data exceeds 99%, you may still see information on reports stated as "~Missing". This indicates any enrollment or claims that could not be "tagged" by Medstat.

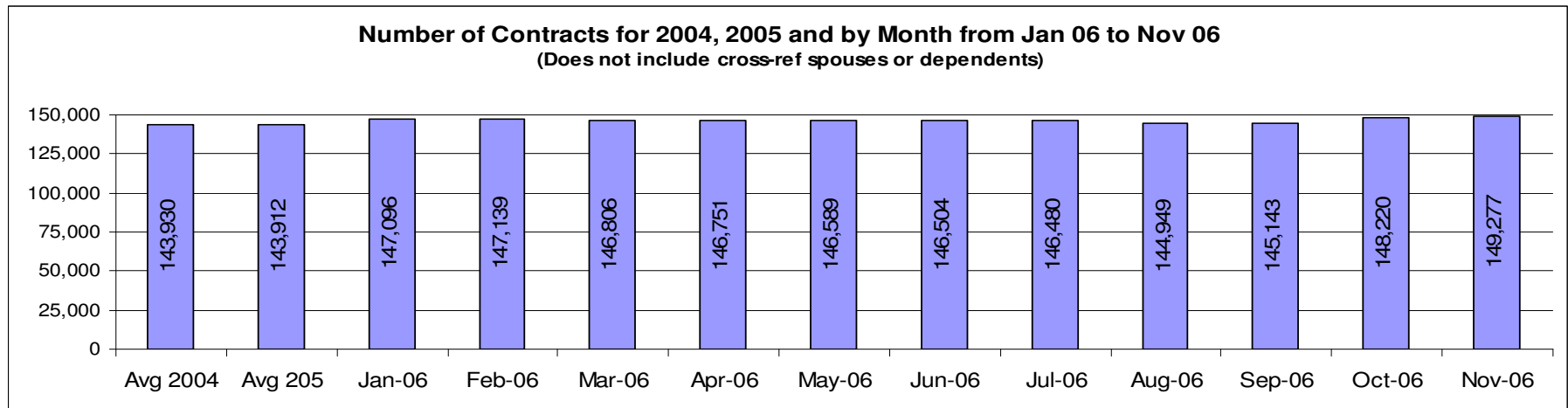
Definitions

DEI utilized the following definitions in preparing reports:

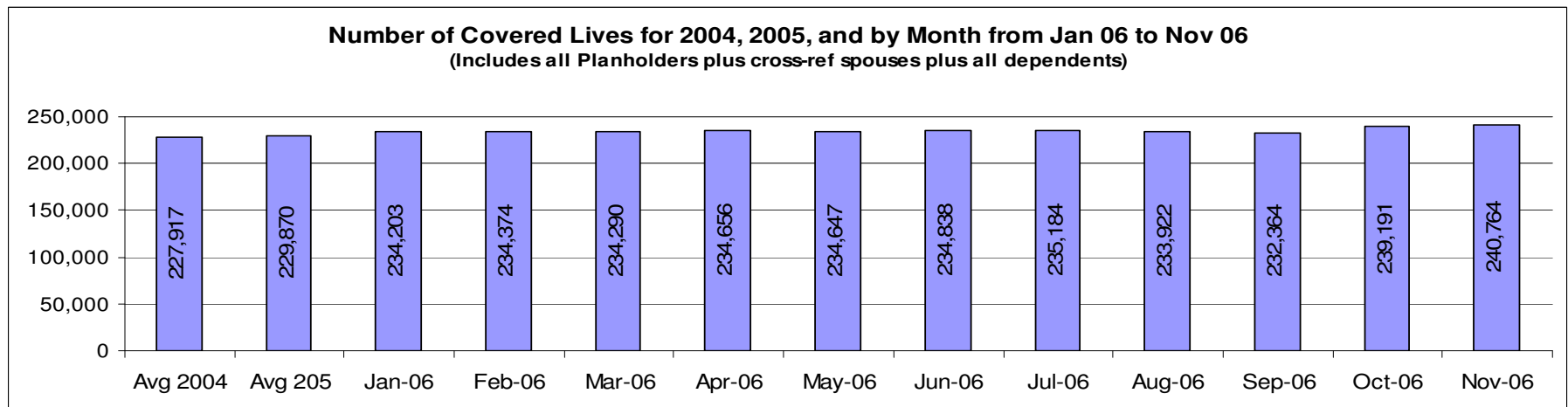
- “Employee” represents an individual eligible to participate in KEHP as a retiree in either KTRS or KRS, or by being employed by one of the agencies that participate with KEHP (example: state employee, school boards, Quasi agency, etc.). Employee may also be referred to as “planholder” or “contracts”. Please note that Medstat deals with Cross-reference plans uniquely. Although there are in fact two “employees” Medstat can only designate the planholder as an employee. Therefore, the cross-referenced spouse is considered a dependent and all claims and utilization data related to them is counted as a “member”.
- “Member” includes all employees plus any dependents that are covered through the KEHP. Members may also be referred to as “covered lives”.
- “Group” is Kentucky Retirement System (KRS), Kentucky Teachers Retirement System (KTRS), State Employees, School Boards, or Other (includes: COBRA, Health Departments, KCTCS, Quasi/Local Governments).
- “Plan” is Commonwealth Essential, Commonwealth Enhanced, Commonwealth Premier, HMO Option A, HMO Option B, POS Option A, POS Option B, PPO Option A, PPO Option B, or EPO Option C.
- “Carrier” may be Aetna, Anthem, Bluegrass Family Health, CHA Health, United Healthcare, or Humana (please note that Express Scripts data is designated as Humana).
- “Generic Efficiency” means the number of prescriptions that are filled with a generic product as a percentage of the total number of prescriptions where a generic is available.
- “OOP” is the amount paid out-of-pocket by the member for facility, professional, and prescription drug services. This generally includes coinsurance, co-payment, and deductible amounts.
- “Allowed Amount” is the amount of submitted charges eligible for payment for all claims. It is the amount eligible after applying pricing guidelines, but before deducting third party, co-payment, coinsurance, or deductible amounts.
- “Net Payment” is the net amount paid for all claims. It represents the amount after all pricing guidelines have been applied, and all third party, co-payment, coinsurance, and deductible amounts have been subtracted.
- “Patients” is the unique count of members who received facility, professional, or pharmacy services.
- “Days Supply” is the number of days for which drugs were supplied for prescriptions filled. It represents the number of days of drug therapy covered by a prescription.
- “Mail Order” is computed as any script filled with a “days supply” of more than 30 days, regardless of the physical location where the prescription was filled.
- “Retail” is computed as any script filled with a “days supply” of 30 days or less, regardless of the physical location where the prescription was filled.

Enrollment

The following details planholder enrollment (contracts) for 2004, 2005, and monthly year-to-date for 2006. Enrollment will fluctuate on a monthly basis. (Note: There have been approximately 7,000 cross-referenced spouses in any given month that are not included in the following chart.)



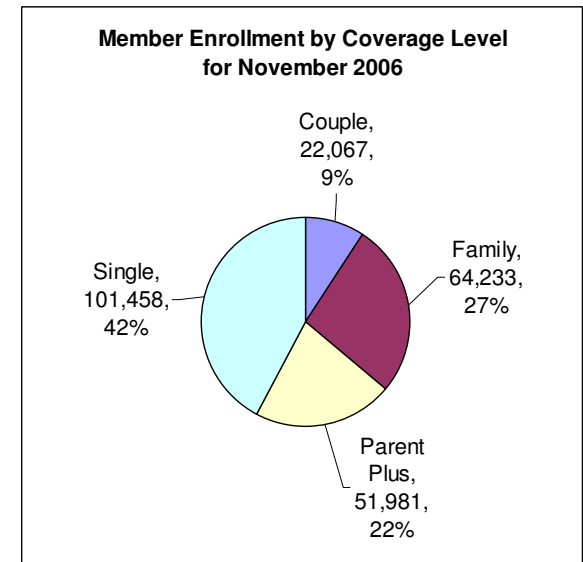
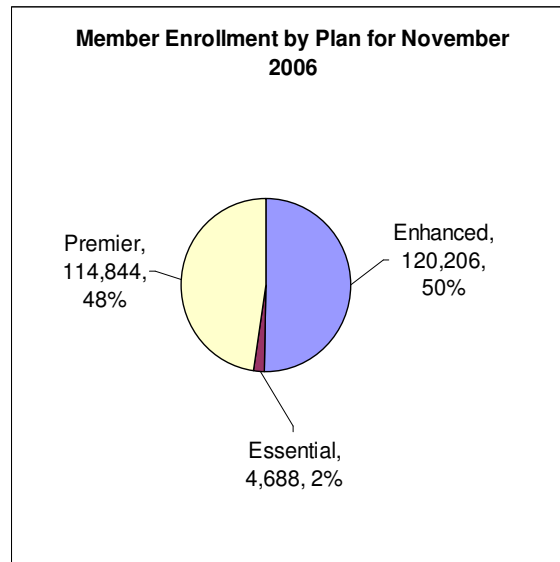
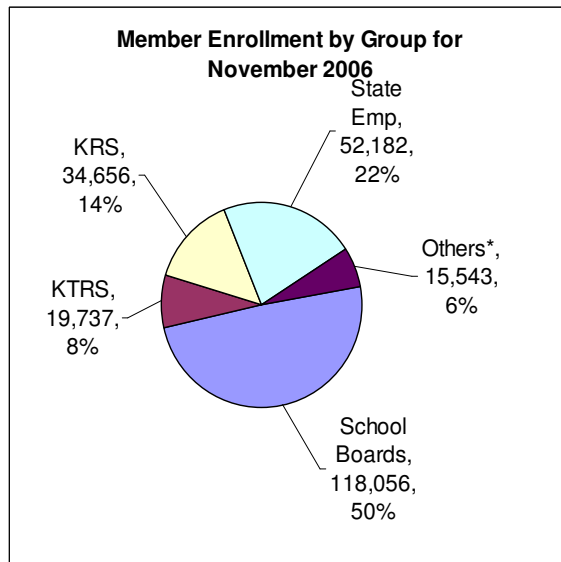
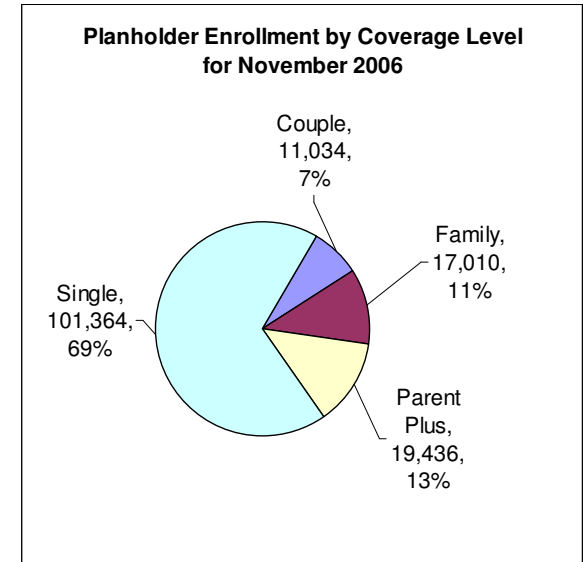
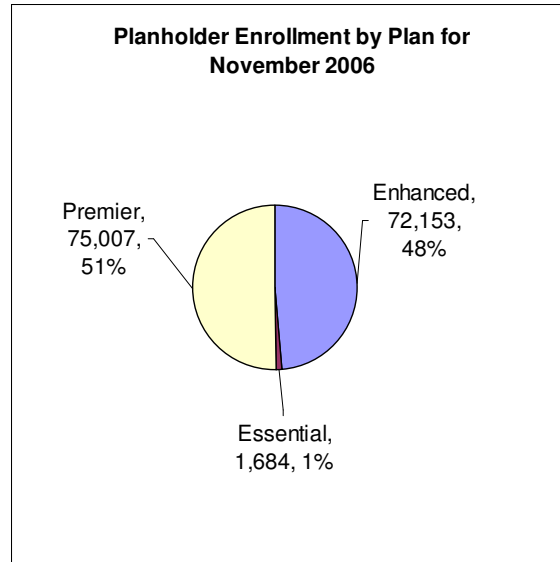
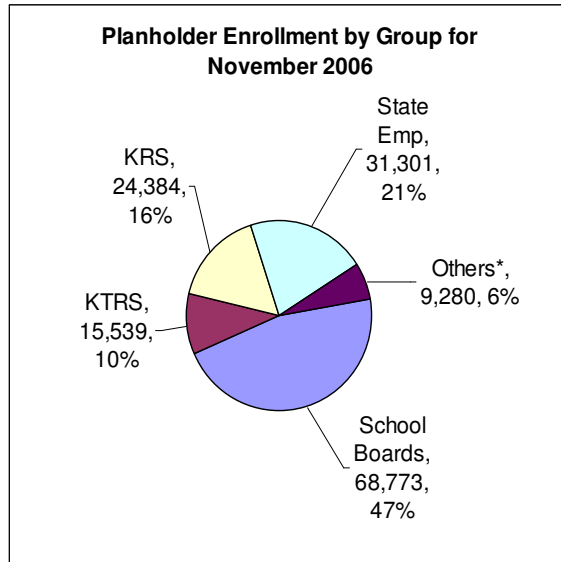
The following details member enrollment (covered lives) for 2004, 2005, and monthly year-to-date for 2006. Enrollment will fluctuate on a monthly basis.



The following shows the number of cross-reference spouses for 2004, 2005, and monthly year-to-date for 2006. Number of Cross-Reference Spouses will fluctuate on a monthly basis.

| Time Period | Number of Cross-Reference Spouses |
|-------------|-----------------------------------|
| Avg - 2004 | 5,004 |
| Avg - 2005 | 7,020 |
| Jan-06 | 7,075 |
| Feb-06 | 7,072 |
| Mar-06 | 7,084 |
| Apr-06 | 7,104 |
| May-06 | 7,097 |
| Jun-06 | 7,111 |
| Jul-06 | 7,111 |
| Aug-06 | 7,042 |
| Sep-06 | 7,069 |
| Oct-06 | 7,221 |
| Nov-06 | 7,245 |

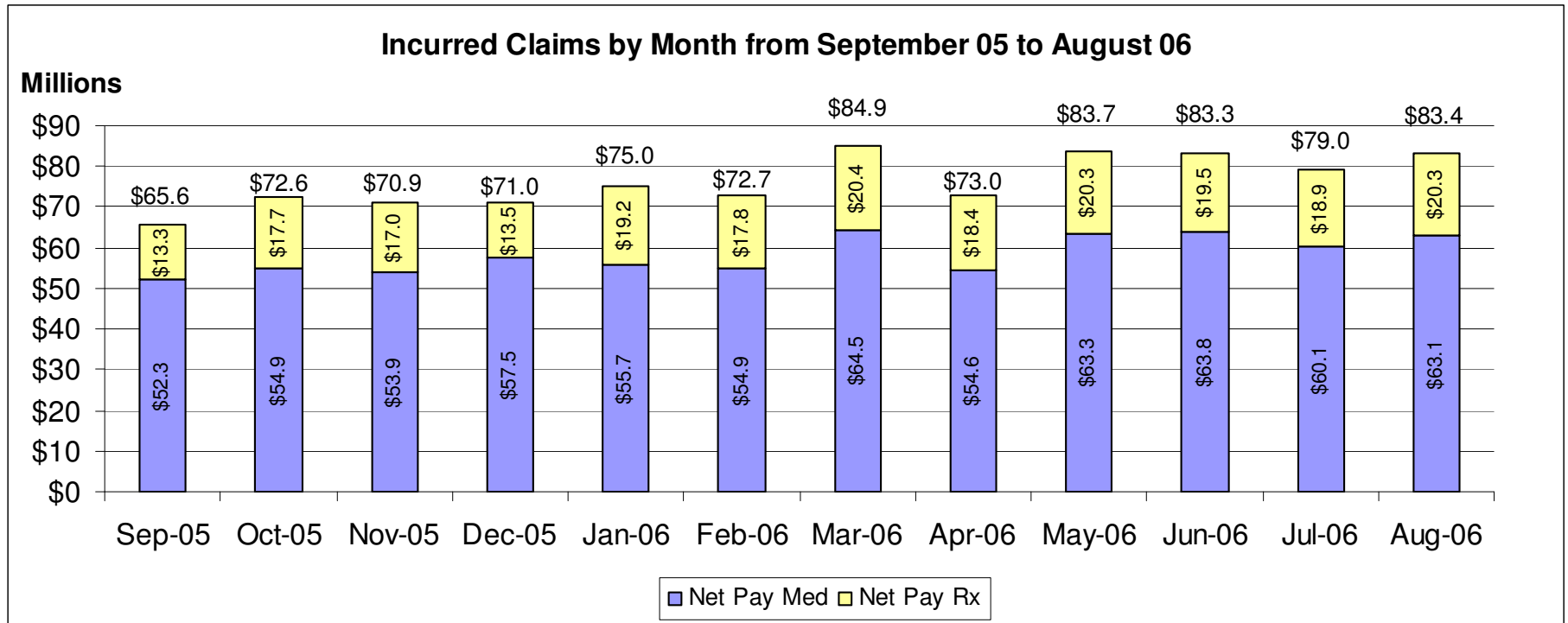
The following displays Planholder and Member enrollment by group, plan, and coverage level.



* Others include Cobra, Health Departments, KCTCS, Quasi/Local Governments, or Missing (unable to determine group).

Claims Costs

Claims costs, including Medical and Prescription (Rx) for the most recent rolling year. Based on Incurred Claims.



NOTE: Includes run out data from all Carriers

The following represents incurred medical claims only (does not include Rx) by Group for 2004, 2005, and monthly year-to-date for 2006.

| | School Boards | KTRS | KRS | State Employees | Others* | Totals |
|--------|---------------|--------------|---------------|-----------------|--------------|---------------|
| 2004 | \$246,737,065 | \$70,871,582 | \$106,215,558 | \$123,508,040 | \$43,074,245 | \$590,406,490 |
| 2005 | \$258,901,827 | \$80,544,021 | \$122,185,519 | \$127,212,475 | \$43,303,159 | \$632,147,002 |
| Jan-06 | \$22,081,954 | \$7,218,573 | \$11,596,264 | \$11,522,115 | \$3,309,274 | \$55,728,181 |
| Feb-06 | \$22,163,481 | \$6,922,657 | \$11,041,846 | \$11,002,216 | \$3,807,445 | \$54,937,645 |
| Mar-06 | \$25,518,370 | \$8,072,946 | \$12,357,415 | \$14,538,943 | \$4,033,408 | \$64,521,083 |
| Apr-06 | \$21,829,455 | \$7,188,192 | \$9,988,903 | \$12,040,711 | \$3,532,092 | \$54,579,353 |
| May-06 | \$25,197,845 | \$8,277,426 | \$12,927,356 | \$13,088,098 | \$3,858,515 | \$63,349,240 |
| Jun-06 | \$29,337,322 | \$7,293,951 | \$11,545,339 | \$11,743,321 | \$3,885,680 | \$63,805,613 |
| Jul-06 | \$26,656,438 | \$7,317,208 | \$10,626,668 | \$11,845,329 | \$3,644,851 | \$60,090,494 |
| Aug-06 | \$24,287,734 | \$8,605,278 | \$13,346,918 | \$12,468,632 | \$4,377,348 | \$63,085,910 |

* Others include Cobra, Health Departments, KCTCS, Quasi/Local Governments, or Missing (unable to determine group).

The following represents incurred Rx claims only (does not include medical) by Group for 2004, 2005, and monthly year-to-date for 2006.

| | School Boards | KTRS | KRS | State Employees | Others* | Total RX |
|--------|---------------|--------------|--------------|-----------------|--------------|---------------|
| 2004 | \$65,554,794 | \$24,644,841 | \$34,889,675 | \$32,606,398 | \$10,801,244 | \$168,496,952 |
| 2005 | \$69,961,420 | \$27,101,984 | \$39,829,196 | \$34,366,406 | \$11,563,830 | \$182,822,835 |
| Jan-06 | \$7,463,971 | \$2,901,061 | \$4,269,468 | \$3,550,181 | \$1,054,366 | \$19,239,047 |
| Feb-06 | \$7,091,839 | \$2,494,975 | \$3,894,799 | \$3,313,193 | \$981,277 | \$17,776,082 |
| Mar-06 | \$8,158,266 | \$2,974,917 | \$4,375,844 | \$3,761,621 | \$1,109,488 | \$20,380,135 |
| Apr-06 | \$7,227,781 | \$2,690,773 | \$4,092,463 | \$3,387,286 | \$1,033,957 | \$18,432,261 |
| May-06 | \$7,961,032 | \$2,991,666 | \$4,486,525 | \$3,704,131 | \$1,177,740 | \$20,321,093 |
| Jun-06 | \$7,662,265 | \$2,888,684 | \$4,326,686 | \$3,536,339 | \$1,073,058 | \$19,487,032 |
| Jul-06 | \$7,218,643 | \$2,817,413 | \$4,416,444 | \$3,412,889 | \$1,062,667 | \$18,928,056 |
| Aug-06 | \$7,748,511 | \$3,087,268 | \$4,655,356 | \$3,667,308 | \$1,131,487 | \$20,289,930 |

* Others include Cobra, Health Departments, KCTCS, Quasi/Local Governments, or Missing (unable to determine group).

The following represents incurred medical claims only (does not include Rx) by Plan for 2004, 2005, and monthly year-to-date for 2006.

| Time Period | Commonwealth Enhanced | Commonwealth Essential | Commonwealth Premier | HMO* | POS* | PPO* | EPO Option C | Missing* | Total |
|-------------|-----------------------|------------------------|----------------------|---------------|--------------|---------------|--------------|-------------|---------------|
| 2004 | \$618,383 | \$103,010 | \$991,694 | \$213,266,383 | \$41,124,678 | \$325,501,520 | \$5,548,882 | \$3,251,941 | \$590,406,490 |
| 2005 | \$224,225,821 | \$5,663,758 | \$399,167,811 | \$12,938 | \$3,035 | \$183,482 | \$70 | \$2,890,087 | \$632,147,002 |
| Jan-06 | \$20,328,595 | \$382,454 | \$34,907,037 | \$0 | \$0 | \$0 | \$0 | \$110,095 | \$55,728,181 |
| Feb-06 | \$20,352,313 | \$586,971 | \$33,704,350 | \$0 | \$0 | \$0 | \$0 | \$294,011 | \$54,937,645 |
| Mar-06 | \$24,161,881 | \$373,917 | \$39,554,962 | \$0 | \$0 | \$0 | \$0 | \$430,323 | \$64,521,083 |
| Apr-06 | \$20,869,368 | \$333,241 | \$32,918,683 | \$0 | \$0 | \$0 | \$0 | \$458,061 | \$54,579,353 |
| May-06 | \$23,979,158 | \$440,192 | \$38,626,603 | \$0 | \$0 | \$0 | \$0 | \$303,286 | \$63,349,240 |
| Jun-06 | \$24,836,188 | \$330,654 | \$38,244,860 | \$0 | \$0 | \$0 | \$0 | \$393,910 | \$63,805,613 |
| Jul-06 | \$23,706,448 | \$398,437 | \$35,684,509 | \$0 | \$0 | \$0 | \$0 | \$301,101 | \$60,090,494 |
| Aug-06 | \$24,298,554 | \$511,487 | \$37,810,238 | \$0 | \$0 | \$0 | \$0 | \$465,631 | \$63,085,910 |

*HMO = HMO Option A plus HMO Option B

POS = POS Option A plus POS Option B

PPO= PPO Option A plus PPO Option B

*Missing means the claims could not be tagged to a specific plan.

The following represents incurred Rx claims only (does not include medical) by plan for 2004, 2005, and monthly year-to-date for 2006.

| Time Period | Commonwealth Enhanced | Commonwealth Essential | Commonwealth Premier | HMO* | POS* | PPO* | EPO Option C | Missing* | Total |
|-------------|-----------------------|------------------------|----------------------|--------------|--------------|--------------|--------------|-----------|---------------|
| 2004 | \$45,196 | \$2,359 | \$74,909 | \$59,139,093 | \$13,498,633 | \$94,806,542 | \$684,426 | \$245,795 | \$168,496,952 |
| 2005 | \$64,878,852 | \$1,341,401 | \$116,060,718 | \$13,027 | \$3,674 | \$25,483 | \$496 | \$499,185 | \$182,822,835 |
| Jan-06 | \$6,873,895 | \$107,047 | \$12,214,212 | \$0 | \$0 | \$0 | \$0 | \$43,893 | \$19,239,047 |
| Feb-06 | \$6,458,062 | \$96,238 | \$11,134,141 | \$0 | \$0 | \$0 | \$0 | \$87,641 | \$17,776,082 |
| Mar-06 | \$7,463,439 | \$97,425 | \$12,732,979 | \$0 | \$0 | \$0 | \$0 | \$86,292 | \$20,380,135 |
| Apr-06 | \$6,589,866 | \$91,953 | \$11,664,721 | \$0 | \$0 | \$0 | \$0 | \$85,720 | \$18,432,261 |
| May-06 | \$7,365,385 | \$102,813 | \$12,768,664 | \$0 | \$0 | \$0 | \$0 | \$84,231 | \$20,321,093 |
| Jun-06 | \$7,003,733 | \$88,969 | \$12,324,045 | \$0 | \$0 | \$0 | \$0 | \$70,285 | \$19,487,032 |
| Jul-06 | \$6,800,478 | \$83,267 | \$11,970,836 | \$0 | \$0 | \$0 | \$0 | \$73,475 | \$18,928,056 |
| Aug-06 | \$7,360,721 | \$95,646 | \$12,762,104 | \$0 | \$0 | \$0 | \$0 | \$71,459 | \$20,289,930 |

*HMO = HMO Option A plus HMO Option B

POS = POS Option A plus POS Option B

PPO= PPO Option A plus PPO Option B

*Missing means the claims could not be tagged to a specific plan.

The following represents incurred medical claims only (does not include Rx) by Carrier for 2004, 2005, and monthly year-to-date for 2006.

| Time Period | Anthem | Bluegrass Family Health | CHA Health | Humana | United Healthcare | ~Missing* | Total |
|-------------|--------------|-------------------------|---------------|---------------|-------------------|-------------|---------------|
| 2004 | \$534,701 | \$224,167,677 | \$139,753,165 | \$222,352,699 | \$346,307 | \$3,251,941 | \$590,406,490 |
| 2005 | \$90,527,880 | \$227,326,102 | \$118,988,664 | \$424,247 | \$191,990,022 | \$2,890,087 | \$632,147,002 |
| Jan-06 | \$6,524 | \$119,011 | \$12,630 | \$55,466,674 | \$13,248 | \$110,095 | \$55,728,181 |
| Feb-06 | \$0 | \$0 | \$0 | \$54,643,634 | \$0 | \$294,011 | \$54,937,645 |
| Mar-06 | \$0 | \$0 | \$0 | \$64,090,760 | \$0 | \$430,323 | \$64,521,083 |
| Apr-06 | \$0 | \$0 | \$0 | \$54,121,292 | \$0 | \$458,061 | \$54,579,353 |
| May-06 | \$0 | \$0 | \$0 | \$63,045,953 | \$0 | \$303,286 | \$63,349,240 |
| Jun-06 | \$0 | \$0 | \$0 | \$63,411,703 | \$0 | \$393,910 | \$63,805,613 |
| Jul-06 | \$0 | \$0 | \$0 | \$59,789,393 | \$0 | \$301,101 | \$60,090,494 |
| Aug-06 | \$0 | \$0 | \$0 | \$62,620,279 | \$0 | \$465,631 | \$63,085,910 |

*Missing means the claims could not be tagged to a specific Carrier.

The following represents incurred Rx claims only (does not include medical) by Carrier for 2004, 2005, and monthly year-to-date for 2006.

| Time Period | Anthem | Bluegrass Family Health | CHA Health | Humana | United Healthcare | ~Missing* | Total |
|-------------|--------------|-------------------------|--------------|--------------|-------------------|-----------|---------------|
| 2004 | \$17,314 | \$61,324,944 | \$42,603,314 | \$64,273,189 | \$32,397 | \$245,795 | \$168,496,952 |
| 2005 | \$28,655,011 | \$67,495,825 | \$33,853,667 | \$39,651 | \$52,279,498 | \$499,185 | \$182,822,835 |
| Jan-06 | \$9,191 | \$31,845 | \$17,397 | \$19,128,972 | \$7,750 | \$43,893 | \$19,239,047 |
| Feb-06 | \$0 | \$0 | \$0 | \$17,688,441 | \$0 | \$87,641 | \$17,776,082 |
| Mar-06 | \$0 | \$0 | \$0 | \$20,293,843 | \$0 | \$86,292 | \$20,380,135 |
| Apr-06 | \$0 | \$0 | \$0 | \$18,346,541 | \$0 | \$85,720 | \$18,432,261 |
| May-06 | \$0 | \$0 | \$0 | \$20,236,862 | \$0 | \$84,231 | \$20,321,093 |
| Jun-06 | \$0 | \$0 | \$0 | \$19,416,746 | \$0 | \$70,285 | \$19,487,032 |
| Jul-06 | \$0 | \$0 | \$0 | \$18,854,581 | \$0 | \$73,475 | \$18,928,056 |
| Aug-06 | \$0 | \$0 | \$0 | \$20,218,471 | \$0 | \$71,459 | \$20,289,930 |

*Missing means the claims could not be tagged to a specific Carrier.

The following represents incurred medical claims only (does not include Rx) by Coverage Level for 2004, 2005, and monthly year-to-date for 2006.

| Time Period | Couple | Family | Parent Plus | Single | Unknown* | Total |
|-------------|--------------|---------------|--------------|---------------|-------------|---------------|
| 2004 | \$79,913,087 | \$103,802,961 | \$85,464,872 | \$317,973,629 | \$3,251,941 | \$590,406,490 |
| 2005 | \$87,690,404 | \$118,600,124 | \$88,184,261 | \$334,781,735 | \$2,890,479 | \$632,147,002 |
| Jan-06 | \$7,937,087 | \$10,127,407 | \$7,421,068 | \$30,132,524 | \$110,095 | \$55,728,181 |
| Feb-06 | \$8,170,090 | \$10,068,253 | \$6,810,365 | \$29,594,927 | \$294,011 | \$54,937,645 |
| Mar-06 | \$9,151,608 | \$12,219,189 | \$8,149,100 | \$34,570,862 | \$430,323 | \$64,521,083 |
| Apr-06 | \$7,951,688 | \$10,351,831 | \$6,877,039 | \$28,940,734 | \$458,061 | \$54,579,353 |
| May-06 | \$9,662,024 | \$11,091,005 | \$8,854,287 | \$33,438,638 | \$303,286 | \$63,349,240 |
| Jun-06 | \$9,111,220 | \$12,284,012 | \$7,854,174 | \$34,162,297 | \$393,910 | \$63,805,613 |
| Jul-06 | \$8,352,553 | \$11,751,220 | \$8,266,055 | \$31,419,565 | \$301,101 | \$60,090,494 |
| Aug-06 | \$8,953,350 | \$11,303,520 | \$8,332,386 | \$34,031,023 | \$465,631 | \$63,085,910 |

* Unable to tag claims to a specific coverage level.

The following represents incurred Rx claims only (does not include Medical) by Coverage Level for 2004, 2005, and monthly year-to-date for 2006.

| Time Period | Couple | Family | Parent Plus | Single | Unknown* | Total |
|-------------|--------------|--------------|--------------|--------------|-----------|---------------|
| 2004 | \$26,000,775 | \$29,722,962 | \$19,085,089 | \$93,442,331 | \$245,795 | \$168,496,952 |
| 2005 | \$28,952,606 | \$34,228,838 | \$19,154,528 | \$99,987,377 | \$499,486 | \$182,822,835 |
| Jan-06 | \$3,209,627 | \$3,473,436 | \$2,048,085 | \$10,464,006 | \$43,893 | \$19,239,047 |
| Feb-06 | \$2,879,551 | \$3,253,218 | \$1,981,374 | \$9,574,299 | \$87,641 | \$17,776,082 |
| Mar-06 | \$3,234,113 | \$3,775,652 | \$2,256,021 | \$11,028,058 | \$86,292 | \$20,380,135 |
| Apr-06 | \$3,023,403 | \$3,307,684 | \$1,950,933 | \$10,064,522 | \$85,720 | \$18,432,261 |
| May-06 | \$3,284,166 | \$3,732,366 | \$2,112,103 | \$11,108,227 | \$84,231 | \$20,321,093 |
| Jun-06 | \$3,170,664 | \$3,493,282 | \$2,012,281 | \$10,740,520 | \$70,285 | \$19,487,032 |
| Jul-06 | \$3,115,396 | \$3,432,145 | \$1,912,432 | \$10,394,608 | \$73,475 | \$18,928,056 |
| Aug-06 | \$3,290,747 | \$3,830,918 | \$2,132,971 | \$10,963,836 | \$71,459 | \$20,289,930 |

* Unable to tag claims to a specific coverage level.

Medical Claims Utilization

The following is based on medical claims (does not include Rx) incurred in 2006 year to date. (Note: Services are tracked by each service, not by each visit. Therefore if two laboratory services are performed at one visit, it will count as two services.)

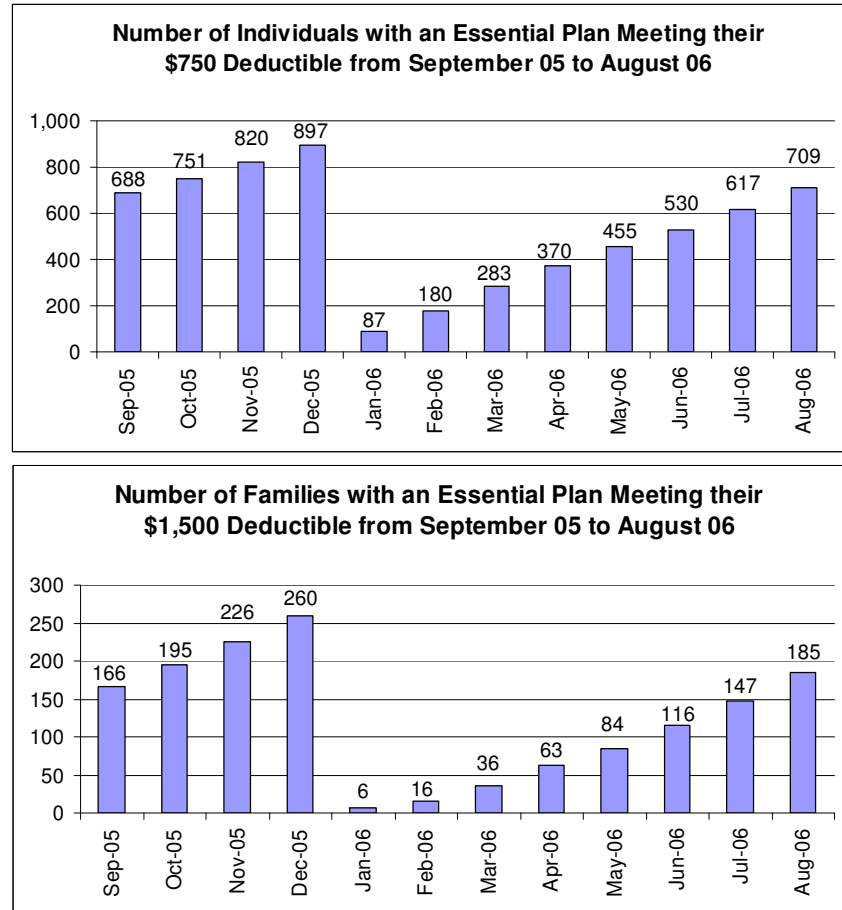
| Plans | Number of Hospital Admits per 1000 Members | Average Length of Stay per Admission | Total Admission Days Per 1000 Members | Office Visits per 1000 Members | ER Visits Per 1000 Members | Outpatient Laboratory Services Per 1000 Members | Outpatient Radiology Services Per 1000 Members |
|---------------------------|---|--|---|-----------------------------------|-------------------------------|--|---|
| Commonwealth Enhanced | 69.09 | 3.79 | 262.14 | 7,072.16 | 199.48 | 6,422.88 | 2,366.00 |
| Commonwealth Essential | 54.3 | 3.95 | 214.54 | 3,592.49 | 175.65 | 3,665.57 | 1,379.07 |
| Commonwealth Premier | 101.42 | 4.13 | 418.75 | 9,384.00 | 236.2 | 9,189.66 | 3,386.73 |
| ~Missing | | 3.73 | | | | | |
| All Plans | 86.3 | 3.99 | 344.04 | 8,153.93 | 217.69 | 7,740.28 | 2,851.35 |

*Missing means the claims could not be tagged to a specific plan.

Analysis of Individuals and Families meeting their Deductible

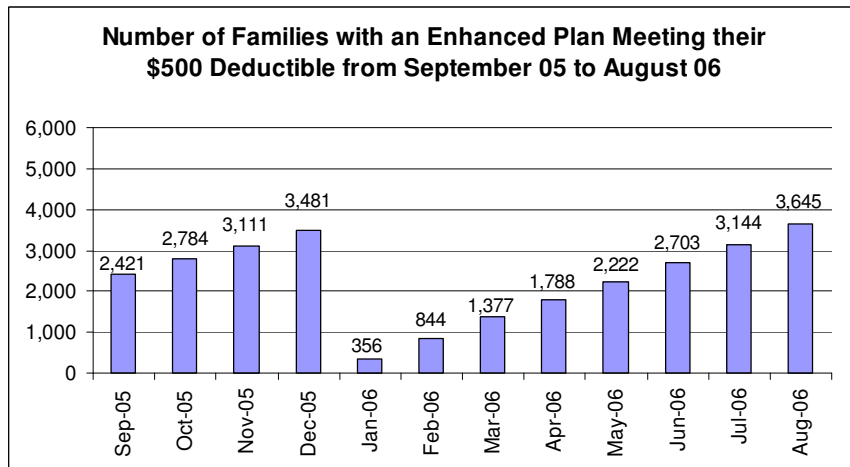
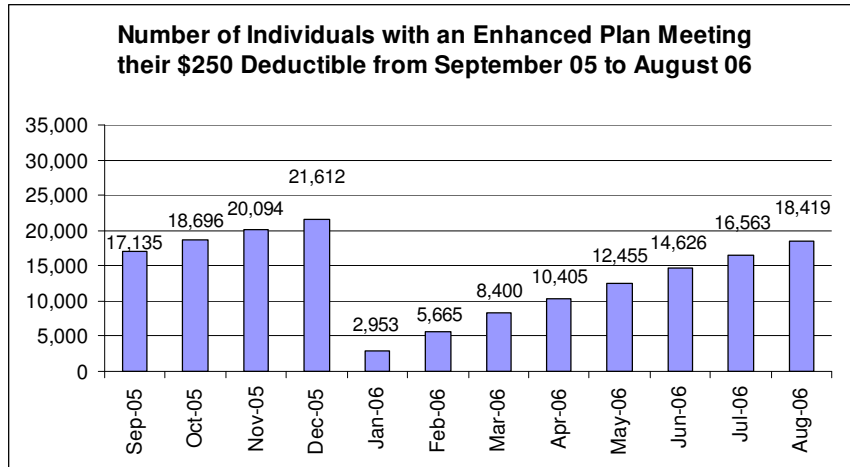
The following details the number of individuals and families by plan, meeting their deductible amounts for the most recent rolling year. The report is based on incurred claims.

Essential

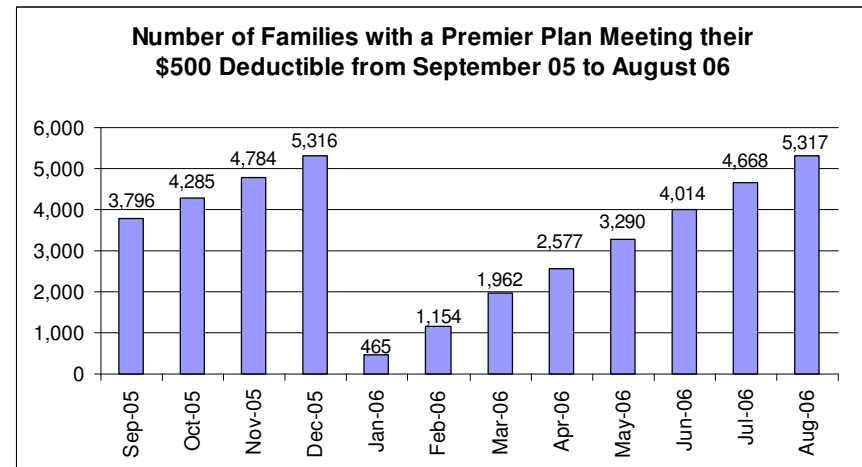
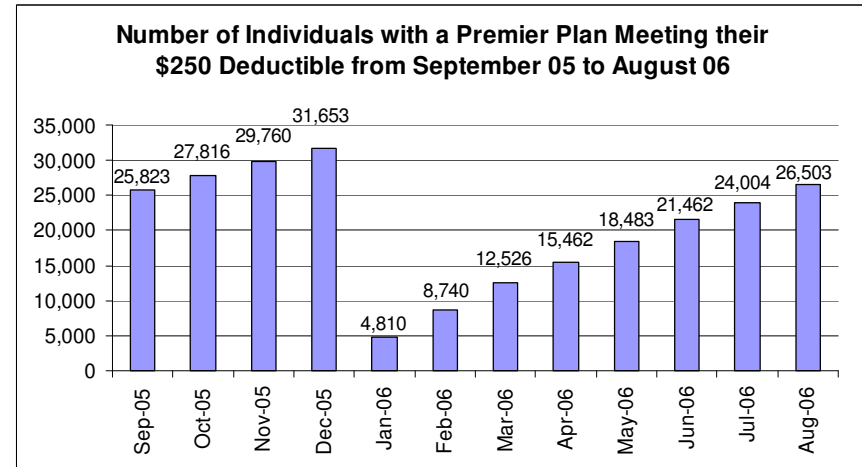


A total of 18.65% of Individuals with an Essential Plan met their deductible while 12.40% of Families met their deductible in 2005.

Enhanced



Premier

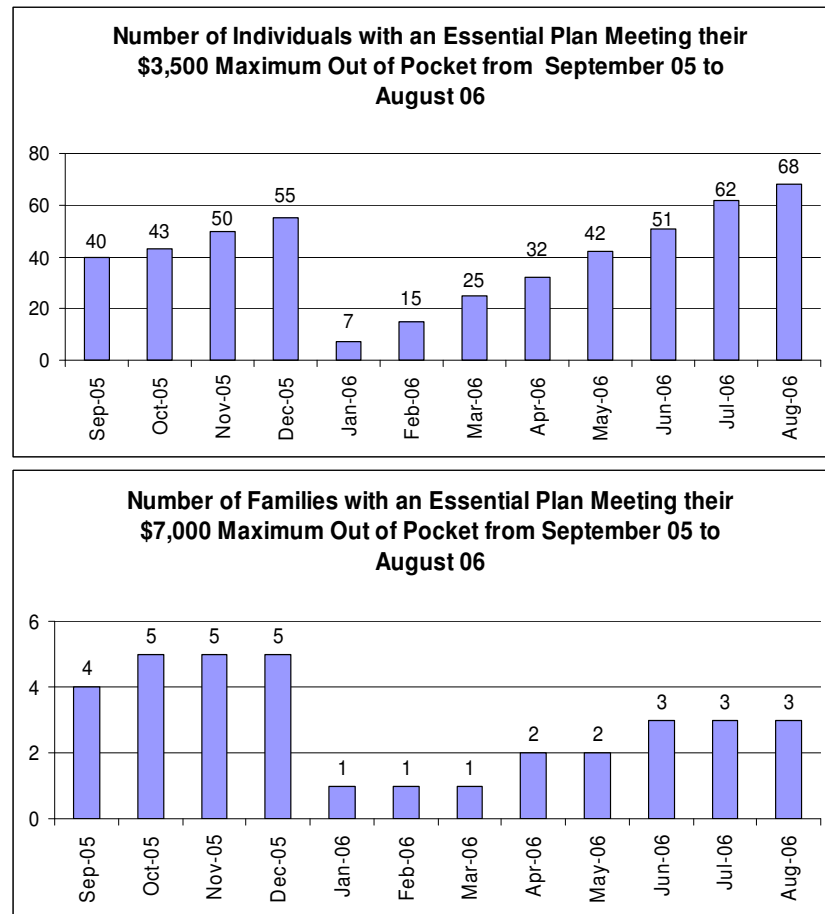


A total of 19.40% of Individuals with an Enhanced Plan met their deductible while 5.01% of Families met their deductible in 2005.
A total of 27.85% of Individuals with a Premier Plan met their deductible while 6.93% of Families met their deductible in 2005.

Analysis of Individuals and Families meeting their Maximum Out of Pocket expenses.

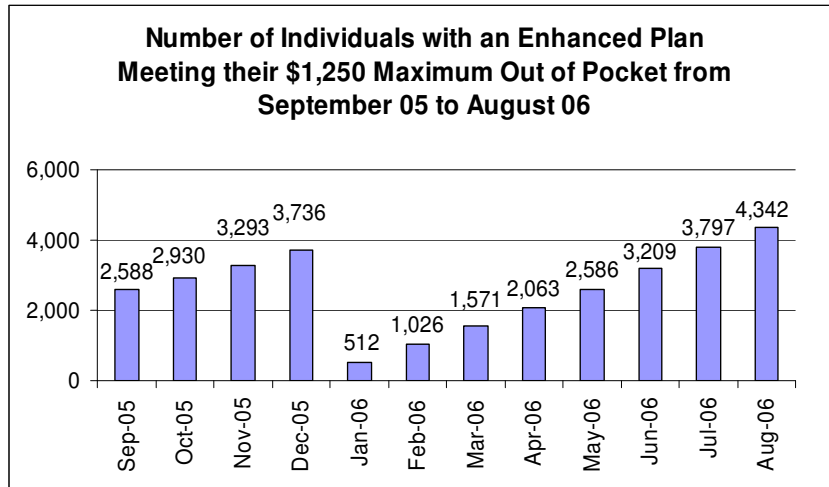
The following details the number of individuals and families by plan, meeting their maximum out of pocket amounts for the most recent rolling year. The report is based on incurred claims.

Essential

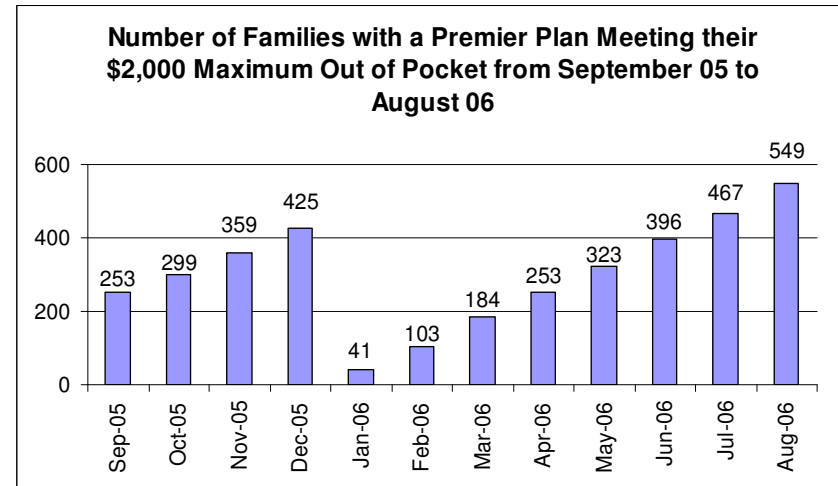
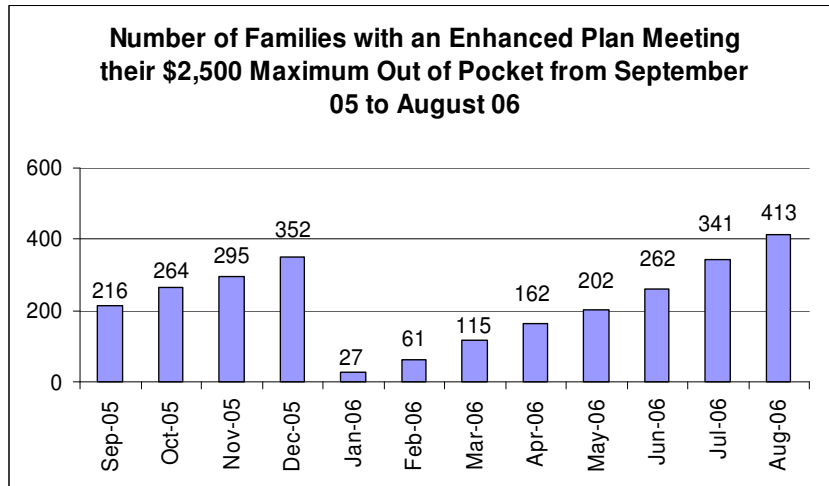
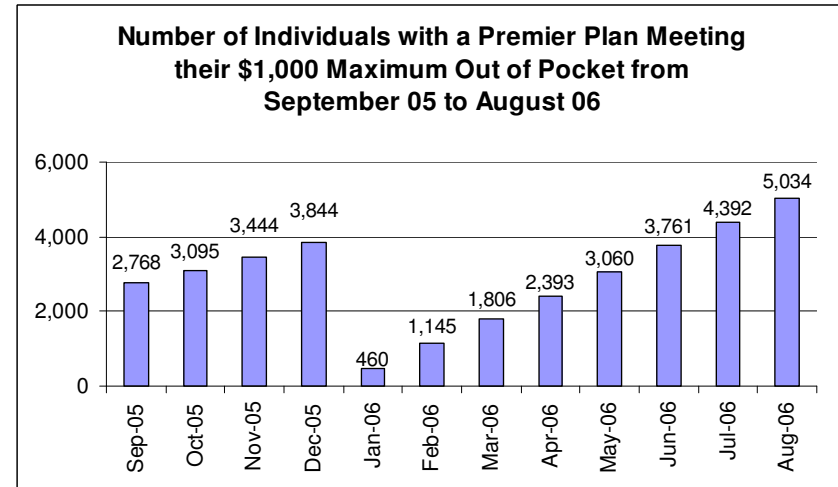


A total of 1.14% of Individuals with an Essential Plan met their Maximum Out of Pocket while 0.24% of Families met their Maximum Out of Pocket in 2005.

Enhanced



Premier



A total of 3.35% of Individuals with an Enhanced Plan met their Maximum Out of Pocket while 0.51% of Families met their Maximum Out of Pocket in 2005.

A total of 3.38% of Individuals with a Premier Plan met their Maximum Out of Pocket while 0.55% of Families met their Maximum Out of Pocket in 2005.

Premium (or Premium Equivalent)

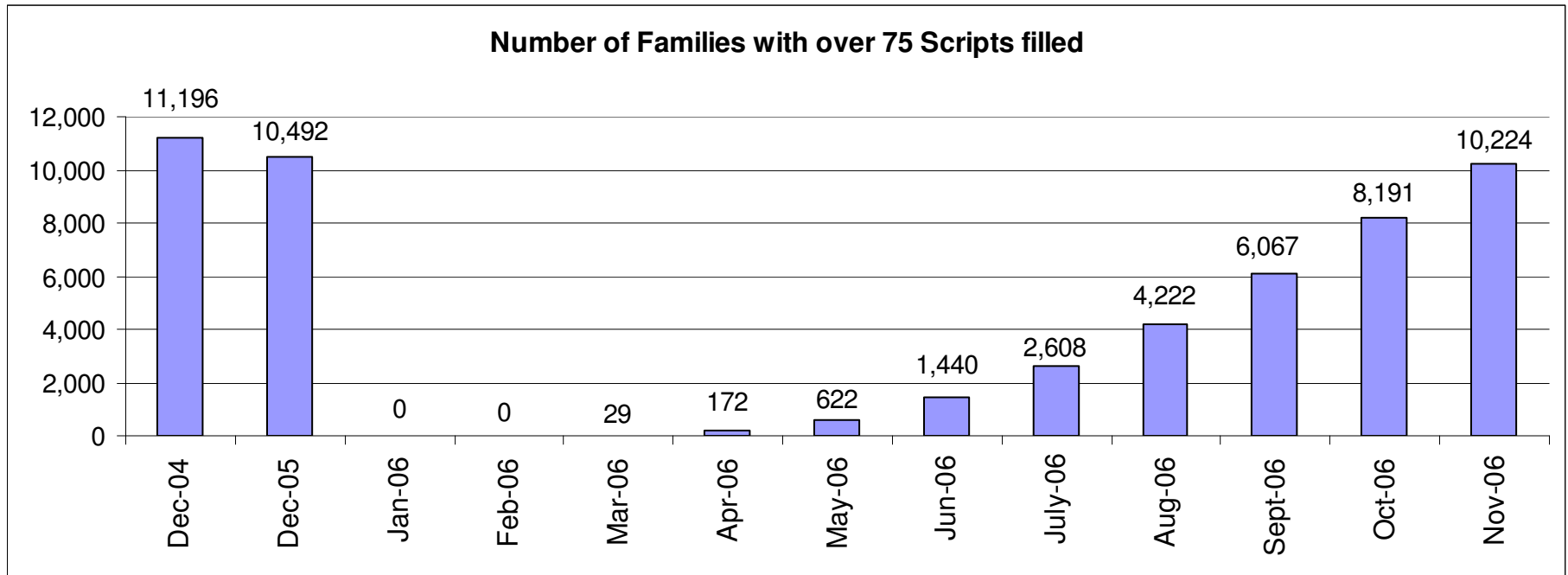
The following details the amount of premium (or premium equivalent) paid by the employee and employer for 2005, and monthly year-to-date for 2006.

| Time Period | Employee Premium Amount | Employer Premium Amount | Total Premium Amount |
|-------------|----------------------------|----------------------------|-------------------------|
| 2005 | \$143,746,542 | \$808,691,861 | \$952,438,403 |
| Jan-06 | \$12,823,810 | \$83,835,650 | \$96,659,460 |
| Feb-06 | \$12,803,870 | \$83,884,677 | \$96,688,547 |
| Mar-06 | \$12,786,302 | \$83,730,461 | \$96,516,763 |
| Apr-06 | \$12,805,772 | \$83,729,704 | \$96,535,476 |
| May-06 | \$12,791,952 | \$83,656,429 | \$96,448,381 |
| Jun-06 | \$12,789,120 | \$83,646,530 | \$96,435,650 |
| Jul-06 | \$12,863,569 | \$74,235,274 | \$87,098,843 |
| Aug-06 | \$12,786,174 | \$73,543,888 | \$86,330,063 |
| Sep-06 | \$12,691,236 | \$73,623,403 | \$86,314,639 |
| Oct-06 | \$12,835,288 | \$75,161,879 | \$87,997,167 |
| Nov-06 | \$13,119,399 | \$75,467,380 | \$88,586,780 |

NOTE: Premium (or premium equivalent) is based on enrollment using published premium rates – it is NOT based on actual payments received!

Prescription Drug Utilization

The following details the number of families that have purchased 75 scripts or more during 2004, 2005, and monthly year-to-date for 2006. After a family has filled 75 prescriptions the co-payment was reduced to \$10 for 2nd tier and \$20 for 3rd tier.



The following details the type of prescription filled, the % that were generic, and the generic efficiency rate for the most recent rolling year. The generic percentage rate and generic efficiency rate increased in 2006. Based on Incurred claims.

| | Generic | Brand Name, Generic Available | Brand Name | Other* | Total | Scripts Rx % Generic | Scripts Generic Efficiency Rx |
|--------|---------|----------------------------------|------------|--------|---------|-------------------------|----------------------------------|
| Sep-05 | 144,273 | 13,164 | 127,035 | 6,929 | 291,401 | 49.51% | 91.64% |
| Oct-05 | 181,826 | 16,043 | 161,348 | 8,399 | 367,616 | 49.46% | 91.89% |
| Nov-05 | 183,537 | 15,560 | 158,958 | 8,505 | 366,560 | 50.07% | 92.18% |
| Dec-05 | 151,256 | 12,565 | 120,140 | 9,695 | 293,656 | 51.51% | 92.33% |
| Jan-06 | 194,239 | 14,782 | 155,999 | 7,377 | 372,397 | 52.16% | 92.93% |
| Feb-06 | 186,986 | 13,162 | 148,183 | 7,330 | 355,661 | 52.57% | 93.42% |
| Mar-06 | 214,690 | 14,526 | 168,501 | 7,947 | 405,664 | 52.92% | 93.66% |
| Apr-06 | 187,853 | 12,880 | 147,384 | 6,729 | 354,846 | 52.94% | 93.58% |
| May-06 | 206,383 | 13,755 | 159,983 | 8,150 | 388,271 | 53.15% | 93.75% |
| Jun-06 | 198,912 | 13,301 | 150,803 | 7,921 | 370,937 | 53.62% | 93.73% |
| Jul-06 | 195,433 | 12,945 | 141,683 | 15,003 | 365,064 | 53.53% | 93.79% |
| Aug-06 | 207,430 | 13,204 | 145,634 | 20,450 | 386,718 | 53.64% | 94.02% |

*Includes: Over the Counter (usually includes items such as diabetic supplies, syringes, and test strips, etc.), Other/Unavailable or Missing (unable to tag to a specific group).

The following details the number of members and patients utilizing prescription benefits and the associated costs for the most recent rolling year. Based on Incurred claims.

| | Members | Patients | Scripts | Scripts Per Member | Scripts Per Patient | Allow Amt Per Script* | Net Pay Per Script | Average out of pocket cost per member | Average out of pocket cost per patient |
|--------|---------|----------|---------|--------------------|---------------------|-----------------------|--------------------|---------------------------------------|--|
| Sep-05 | 228,123 | 125,490 | 291,401 | 1.28 | 2.85 | \$60.19 | \$45.48 | \$18.74 | \$34.07 |
| Oct-05 | 233,058 | 133,822 | 367,616 | 1.58 | 3.17 | \$62.77 | \$48.02 | \$23.21 | \$40.42 |
| Nov-05 | 233,617 | 134,800 | 366,560 | 1.57 | 3.15 | \$60.45 | \$46.34 | \$22.11 | \$38.31 |
| Dec-05 | 234,180 | 130,953 | 293,656 | 1.25 | 2.81 | \$59.98 | \$46.04 | \$17.43 | \$31.17 |
| Jan-06 | 234,184 | 144,019 | 372,397 | 1.59 | 3.03 | \$63.45 | \$51.66 | \$18.74 | \$30.48 |
| Feb-06 | 234,341 | 143,910 | 355,661 | 1.52 | 2.88 | \$61.66 | \$49.98 | \$17.73 | \$28.87 |
| Mar-06 | 234,253 | 151,683 | 405,664 | 1.73 | 3.09 | \$61.88 | \$50.24 | \$20.15 | \$31.13 |
| Apr-06 | 234,623 | 141,996 | 354,846 | 1.51 | 2.92 | \$63.69 | \$51.94 | \$17.76 | \$29.35 |
| May-06 | 234,631 | 146,924 | 388,271 | 1.65 | 3.07 | \$63.96 | \$52.34 | \$19.24 | \$30.73 |
| Jun-06 | 234,812 | 145,259 | 370,937 | 1.58 | 3.02 | \$63.95 | \$52.53 | \$18.03 | \$29.15 |
| Jul-06 | 235,076 | 144,762 | 365,064 | 1.55 | 3.00 | \$63.00 | \$51.85 | \$17.32 | \$28.13 |
| Aug-06 | 233,327 | 147,543 | 386,718 | 1.65 | 3.07 | \$63.35 | \$52.47 | \$18.04 | \$28.53 |

* "Allow Amt" is the amount of submitted charges eligible for payment for all claims. It is the amount eligible after applying pricing guidelines, but before deducting third party, co-payment, coinsurance, or deductible amounts.

The following top 25 drug analysis is based on Rx claims incurred from January 2006 to August 2006.

| Product Name* | Total Rx Payments | Net Pay Rx as % of All Drugs | Number of Scripts | Net Pay Per Day Supply Rx | Number of members receiving an RX |
|----------------------|-------------------|------------------------------|-------------------|---------------------------|-----------------------------------|
| ZOCOR | \$6,204,688 | 4.01% | 43,985 | \$3.83 | 12,993 |
| NEXIUM | \$4,688,283 | 3.03% | 29,974 | \$4.38 | 6,555 |
| SINGULAIR | \$3,432,063 | 2.22% | 38,249 | \$2.58 | 9,908 |
| PREVACID | \$3,234,793 | 2.09% | 20,395 | \$4.52 | 4,605 |
| ENBREL | \$3,080,286 | 1.99% | 1,966 | \$51.68 | 356 |
| EFFEXOR-XR | \$2,911,035 | 1.88% | 23,626 | \$3.67 | 4,688 |
| WELLBUTRIN XL | \$2,436,351 | 1.57% | 18,092 | \$3.94 | 4,038 |
| ZOLOFT | \$2,419,886 | 1.56% | 30,060 | \$2.38 | 6,828 |
| AVANDIA | \$2,337,052 | 1.51% | 16,320 | \$4.11 | 3,269 |
| CRESTOR | \$2,308,090 | 1.49% | 28,200 | \$2.30 | 6,754 |
| VYTORIN | \$2,186,828 | 1.41% | 27,015 | \$2.24 | 6,279 |
| TOPAMAX | \$2,093,742 | 1.35% | 9,518 | \$6.68 | 2,313 |
| LEXAPRO | \$2,027,476 | 1.31% | 30,018 | \$2.02 | 6,823 |
| PLAVIX | \$2,009,561 | 1.30% | 15,754 | \$3.63 | 3,356 |
| PROTONIX | \$1,980,363 | 1.28% | 19,292 | \$2.95 | 4,598 |
| ACTOS | \$1,722,212 | 1.11% | 11,921 | \$4.12 | 2,625 |
| FEXOFENADINE HCL | \$1,676,912 | 1.08% | 34,724 | \$1.55 | 11,559 |
| LOTREL | \$1,471,971 | 0.95% | 18,045 | \$2.37 | 3,255 |
| LIPITOR | \$1,415,806 | 0.91% | 17,982 | \$2.10 | 4,174 |
| ZYRTEC | \$1,396,792 | 0.90% | 39,014 | \$1.06 | 14,024 |
| TRICOR | \$1,358,783 | 0.88% | 14,920 | \$2.58 | 3,206 |
| ADVAIR DISKUS 250/50 | \$1,331,260 | 0.86% | 7,970 | \$4.82 | 2,900 |
| CELEBREX | \$1,278,295 | 0.83% | 10,643 | \$3.32 | 2,987 |
| LEVAQUIN | \$1,274,697 | 0.82% | 14,271 | \$9.95 | 11,144 |
| SIMVASTATIN | \$1,200,067 | 0.77% | 16,193 | \$2.06 | 10,117 |

*"Product Name" includes all strengths/formulations of a drug.

In summary the top 25 drugs represent over 17% of the total scripts and over 37% of total Rx expenditures.

| Summary | Total Rx Payments | Number of Scripts | Days Supply Rx |
|-------------------------------|-------------------|-------------------|----------------|
| Top Drugs | \$57,477,290 | 538,147 | 18,315,506 |
| All Product Names | \$154,853,637 | 2,999,558 | 85,533,926 |
| Top Drugs as Pct of All Drugs | 37.12% | 17.94% | 21.41% |

Utilization

The top 25 clinical conditions based on “incurred claims” from January 2006 to August 2006 are detailed below. (Note: Total Medical Payments represents only the payments made for the specified condition.)

| Clinical Conditions | Total Medical Payments | Medical Payments Inpatient | Medical Payments Outpatient | Admissions per 1000 Members | Average Length of Stay per Admission | Office Visits Per 1000 Members | ER Visits Per 1000 Members | Number of Patients | Net Pay Per Patient Medical |
|---|------------------------|----------------------------|-----------------------------|-----------------------------|--------------------------------------|--------------------------------|----------------------------|--------------------|-----------------------------|
| “Other” conditions not otherwise categorized* | \$29,516,098 | \$4,848,706 | \$23,871,993 | 2.87 | 7.88 | 339.91 | 12.54 | 54,085 | \$545.74 |
| Coronary Artery Disease | \$24,355,882 | \$15,534,274 | \$8,820,018 | 5.23 | 3.24 | 70.96 | 2.79 | 6,629 | \$3,674.14 |
| Respiratory Disord, NEC | \$23,413,268 | \$6,332,614 | \$16,974,350 | 2.96 | 2.48 | 123.31 | 16.42 | 20,665 | \$1,132.99 |
| Prevent/Admin Hlth Encounters | \$22,375,508 | \$122,326 | \$22,247,492 | 0.05 | 3.63 | 653.08 | 0.81 | 94,101 | \$237.78 |
| Gastroint Disord, NEC | \$19,405,665 | \$3,892,131 | \$15,509,937 | 2.22 | 4.26 | 158.22 | 15.45 | 24,228 | \$800.96 |
| Spinal/Back Disorders, NEC | \$18,346,502 | \$4,254,865 | \$14,062,347 | 1.44 | 2.73 | 634.57 | 5.14 | 23,867 | \$768.70 |
| Arthropathies/Joint Disord NEC | \$16,060,495 | \$1,193,779 | \$14,827,252 | 0.6 | 3.65 | 697.21 | 6.68 | 39,417 | \$407.45 |
| Osteoarthritis | \$15,050,663 | \$9,064,596 | \$5,969,151 | 3.08 | 3.47 | 186.69 | 0.37 | 13,057 | \$1,152.69 |
| Pregnancy w Vaginal Delivery | \$9,724,117 | \$9,666,687 | \$57,429 | 6.54 | 2.33 | 0.6 | 0.01 | 1,722 | \$5,646.99 |
| Cancer - Breast | \$8,365,999 | \$373,278 | \$7,992,550 | 0.39 | 3.51 | 50.27 | 0.1 | 2,019 | \$4,143.63 |
| Infections - ENT Ex Otitis Med | \$8,233,978 | \$296,825 | \$7,914,246 | 0.48 | 2.44 | 525.8 | 9.93 | 58,643 | \$140.41 |
| Renal Function Failure | \$7,398,589 | \$1,034,681 | \$6,269,238 | 0.29 | 5.52 | 10.86 | 0.36 | 1,129 | \$6,553.22 |
| Cholecystitis/Cholelithiasis | \$7,179,930 | \$2,049,342 | \$5,130,588 | 1.57 | 3.29 | 7.53 | 1.33 | 1,757 | \$4,086.47 |
| Condition Rel to Tx - Med/Surg | \$6,739,121 | \$5,021,486 | \$1,705,798 | 2.26 | 5.2 | 6.47 | 1.88 | 1,646 | \$4,094.24 |
| Infec/Inflam - Skin/Subcu Tiss | \$6,337,787 | \$1,440,708 | \$4,875,803 | 1.23 | 4.3 | 261.71 | 5.23 | 29,952 | \$211.60 |

| Clinical Conditions | Total Medical Payments | Medical Payments Inpatient | Medical Payments Outpatient | Admissions per 1000 Members | Average Length of Stay per Admission | Office Visits Per 1000 Members | ER Visits Per 1000 Members | Number of Patients | Net Pay Per Patient Medical |
|------------------------------|------------------------|----------------------------|-----------------------------|-----------------------------|--------------------------------------|--------------------------------|----------------------------|--------------------|-----------------------------|
| Gynecological Disord, NEC | \$6,279,124 | \$1,168,862 | \$5,109,682 | 0.92 | 2.32 | 83.68 | 1.35 | 14,337 | \$437.97 |
| Hypertension, Essential | \$5,942,549 | \$876,560 | \$5,061,600 | 0.56 | 3.78 | 325.93 | 1.48 | 34,954 | \$170.01 |
| ENT Disorders, NEC | \$5,916,582 | \$82,947 | \$5,828,634 | 0.14 | 2.23 | 665.48 | 2.69 | 27,086 | \$218.44 |
| Hernia/Reflux Esophagitis | \$5,911,671 | \$1,396,699 | \$4,513,880 | 0.85 | 4.11 | 54.2 | 1.36 | 8,503 | \$695.25 |
| Nutritional Disorders, NEC | \$5,851,671 | \$967,678 | \$4,876,665 | 0.83 | 3.56 | 216.88 | 1.7 | 34,015 | \$172.03 |
| Chemotherapy Encounters | \$5,736,684 | \$658,451 | \$5,078,233 | 0.37 | 3.17 | 0.97 | 0 | 288 | \$19,919.04 |
| Diabetes | \$5,605,073 | \$1,260,578 | \$4,311,999 | 0.81 | 4.68 | 201.26 | 1.39 | 15,719 | \$356.58 |
| Urinary Tract Calculus | \$5,580,828 | \$826,936 | \$4,753,843 | 1.08 | 2.34 | 15.57 | 4.44 | 2,147 | \$2,599.36 |
| Newborns, w/w/o Complication | \$5,301,550 | \$5,005,828 | \$295,722 | 7.45 | 3.55 | 3.35 | 0.06 | 1,839 | \$2,882.84 |
| Cardiac Arrhythmias | \$5,196,171 | \$2,492,073 | \$2,703,596 | 1.22 | 3.04 | 40.26 | 2.01 | 4,097 | \$1,268.29 |

*Based on ICD-9 codes that could not be attributed to any other condition.

In summary the top 25 clinical conditions represent over 58% of total paid claims for all clinical conditions.

| Summary | Total Medical Payments | Medical Payments Inpatient | Medical Payments Outpatient | Admissions Per 1000 Members | Average Length of Stay per Admission | Office Visits Per 1000 Members | ER Visits Per 1000 Members |
|---|------------------------|----------------------------|-----------------------------|-----------------------------|--------------------------------------|--------------------------------|----------------------------|
| Top Clinical Conditions | \$279,825,507 | \$79,862,910 | \$198,762,046 | 45.46 | 3.6 | 5,334.77 | 95.51 |
| All Clinical Conditions | \$480,097,517 | \$143,633,934 | \$334,667,045 | 86.3 | 3.99 | 8,153.93 | 217.69 |
| Top Clinical Conditions as Pct of All Clinical Conditions | 58.29% | 55.60% | 59.39% | 52.68% | 90.28% | 65.43% | 43.88% |

Claims Lag Analysis

The following claims lag information is based on medical claims (does not include Rx) incurred from January 2006 to August 2006.

| Plans | Number of Medical Claims | Avg Days Lag Per Claim | % Claims Paid Within 30 Days | % Claims Paid Within 60 Days | % Claims Paid Within 90 Days |
|------------------------|--------------------------|------------------------|------------------------------|------------------------------|------------------------------|
| Commonwealth Enhanced | 1,837,457 | 23.1 | 81.00% | 90.90% | 95.06% |
| Commonwealth Essential | 40,355 | 28.5 | 75.39% | 86.74% | 92.60% |
| Commonwealth Premier | 2,601,071 | 22.7 | 81.22% | 91.28% | 95.33% |
| ~Missing* | 16,379 | 36.8 | 62.16% | 81.51% | 89.78% |
| All Plans | 4,495,262 | 23 | 81.01% | 91.05% | 95.17% |

*Missing means the claims could not be tagged to a specific plan.

The following claims lag information is based on all claims (Medical and Rx) incurred and paid during the most recent rolling year.

| Paid | Dec-05 | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 |
|----------|--------------|--------------|--------------|--------------|--------------|--------------|
| Incurred | | | | | | |
| Dec-05 | \$25,805,048 | \$35,809,332 | \$4,957,617 | \$2,461,612 | \$758,959 | \$484,789 |
| Jan-06 | N/A | \$34,335,774 | \$23,431,436 | \$7,952,052 | \$3,096,509 | \$2,162,211 |
| Feb-06 | N/A | N/A | \$33,503,834 | \$27,144,347 | \$5,802,402 | \$2,507,251 |
| Mar-06 | N/A | N/A | N/A | \$42,751,720 | \$28,170,351 | \$6,467,371 |
| Apr-06 | N/A | N/A | N/A | N/A | \$34,493,824 | \$28,818,772 |
| May-06 | N/A | N/A | N/A | N/A | N/A | \$41,366,106 |
| Jun-06 | N/A | N/A | N/A | N/A | N/A | N/A |
| Jul-06 | N/A | N/A | N/A | N/A | N/A | N/A |
| Aug-06 | N/A | N/A | N/A | N/A | N/A | N/A |
| Sep-06 | N/A | N/A | N/A | N/A | N/A | N/A |
| Oct-06 | N/A | N/A | N/A | N/A | N/A | N/A |
| Nov-06 | N/A | N/A | N/A | N/A | N/A | N/A |

| Paid | Jun-06 | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 |
|----------|--------------|--------------|--------------|--------------|--------------|--------------|
| Incurred | | | | | | |
| Dec-05 | \$281,052 | \$275,156 | \$81,135 | \$3,212 | \$33,777 | \$28,969 |
| Jan-06 | \$1,476,000 | \$984,173 | \$298,174 | \$250,814 | \$258,598 | \$721,487 |
| Feb-06 | \$1,664,501 | \$1,032,648 | \$504,257 | \$282,455 | \$164,156 | \$107,877 |
| Mar-06 | \$3,433,255 | \$1,926,786 | \$819,310 | \$763,813 | \$235,727 | \$332,886 |
| Apr-06 | \$4,394,032 | \$2,645,560 | \$940,951 | \$1,049,988 | \$279,149 | \$389,339 |
| May-06 | \$29,072,632 | \$7,069,557 | \$3,771,359 | \$1,565,134 | \$293,135 | \$532,411 |
| Jun-06 | \$43,026,694 | \$30,749,516 | \$5,714,004 | \$2,098,163 | \$1,117,327 | \$586,940 |
| Jul-06 | N/A | \$38,381,466 | \$32,900,170 | \$4,940,269 | \$1,944,501 | \$852,145 |
| Aug-06 | N/A | N/A | \$45,213,813 | \$30,583,989 | \$5,336,499 | \$2,241,538 |
| Sep-06 | N/A | N/A | N/A | \$40,454,408 | \$28,271,700 | \$4,948,949 |
| Oct-06 | N/A | N/A | N/A | N/A | \$46,580,222 | \$27,686,628 |
| Nov-06 | N/A | N/A | N/A | N/A | N/A | \$43,819,955 |

Claims Distribution based on Age/Gender

The following is based on claims incurred from January 2006 to August 2006.

| | Female | | | Male | | |
|----------------------|-------------|-----------------------|-----------------------|-------------|-----------------------|-----------------------|
| Age Group Medstat | Members Avg | Net Pay Med and Rx | Net Pay Per Member | Members Avg | Net Pay Med and Rx | Net Pay Per Member |
| Ages < 1 | 284 | \$2,853,978 | \$10,045.68 | 297 | \$3,201,299 | \$10,786.05 |
| Ages 1-4 | 4,208 | \$4,762,853 | \$1,131.86 | 4,337 | \$8,299,566 | \$1,913.84 |
| Ages 5-9 | 5,675 | \$3,597,338 | \$633.95 | 5,987 | \$4,964,483 | \$829.21 |
| Ages 10-14 | 6,453 | \$5,812,005 | \$900.61 | 6,793 | \$5,259,863 | \$774.26 |
| Ages 15-17 | 4,516 | \$4,679,192 | \$1,036.18 | 4,705 | \$5,732,986 | \$1,218.54 |
| Ages 18-19 | 3,138 | \$3,931,587 | \$1,253.10 | 3,351 | \$3,159,385 | \$942.71 |
| Ages 20-24 | 7,032 | \$9,283,858 | \$1,320.23 | 6,278 | \$5,855,597 | \$932.70 |
| Ages 25-29 | 7,869 | \$16,662,280 | \$2,117.46 | 3,831 | \$3,729,153 | \$973.31 |
| Ages 30-34 | 8,696 | \$20,100,156 | \$2,311.35 | 4,705 | \$6,353,905 | \$1,350.57 |
| Ages 35-39 | 10,543 | \$24,961,866 | \$2,367.56 | 5,499 | \$8,889,516 | \$1,616.48 |
| Ages 40-44 | 11,681 | \$32,176,212 | \$2,754.55 | 6,271 | \$13,336,835 | \$2,126.71 |
| Ages 45-49 | 14,529 | \$44,157,468 | \$3,039.20 | 7,752 | \$20,430,548 | \$2,635.38 |
| Ages 50-54 | 17,670 | \$61,338,439 | \$3,471.41 | 10,336 | \$33,693,287 | \$3,259.93 |
| Ages 55-59 | 19,507 | \$77,087,239 | \$3,951.69 | 12,556 | \$50,122,261 | \$3,991.77 |
| Ages 60-64 | 14,606 | \$69,289,264 | \$4,744.05 | 9,771 | \$49,125,149 | \$5,027.85 |
| Ages 65-74 | 3,257 | \$17,478,796 | \$5,367.36 | 2,382 | \$14,624,789 | \$6,140.23 |

Allowed Amount Distribution

The following shows the distribution of members with allowed amount of charges within specified ranges from January 2005 to August 2006. The distribution is based on incurred claims.

| Allowed Amount | 2005 | YTD - 2006 |
|-----------------------------|---------|------------|
| less than 0.00 | 89 | 1 |
| \$0.00 - \$499.99 | 50,008 | 63,412 |
| \$500.00 - \$999.99 | 29,239 | 36,093 |
| \$1,000.00 - \$1,999.99 | 35,401 | 40,085 |
| \$2,000.00 - \$4,999.99 | 47,469 | 45,227 |
| \$5,000.00 - \$9,999.99 | 26,208 | 19,436 |
| \$10,000.00 - \$14,999.99 | 9,139 | 6,430 |
| \$15,000.00 - \$19,999.99 | 4,051 | 2,634 |
| \$20,000.00 - \$29,999.99 | 3,537 | 2,295 |
| \$30,000.00 - \$49,999.99 | 2,314 | 1,535 |
| \$50,000.00 - \$74,999.99 | 929 | 650 |
| \$75,000.00 - \$99,999.99 | 388 | 253 |
| \$100,000.00 - \$149,999.99 | 302 | 180 |
| \$150,000.00 - \$199,999.99 | 115 | 66 |
| \$200,000.00 - \$249,999.99 | 58 | 25 |
| over \$249,999.99 | 74 | 49 |
| Total | 209,321 | 218,371 |

Summary of Enrollment and Claims

The following provides a summary of members, incurred medical claims, and incurred Rx claims for the most recent rolling year.

| Time Period | Members | Net Pay Med and Rx | Net Pay Med | Net Pay Rx | Claims Paid | Claims Paid Med | Scripts Rx |
|-------------|---------|--------------------|--------------|--------------|-------------|-----------------|------------|
| Sep-05 | 228,123 | \$65,577,180 | \$52,324,341 | \$13,252,840 | 545,622 | 249,516 | 291,401 |
| Oct-05 | 233,058 | \$72,576,611 | \$54,921,874 | \$17,654,737 | 635,731 | 262,621 | 367,616 |
| Nov-05 | 233,617 | \$70,890,545 | \$53,905,864 | \$16,984,681 | 636,274 | 264,299 | 366,560 |
| Dec-05 | 234,180 | \$70,980,659 | \$57,459,777 | \$13,520,882 | 565,497 | 256,017 | 293,656 |
| Jan-06 | 234,184 | \$74,967,228 | \$55,728,181 | \$19,239,047 | 635,743 | 257,330 | 372,397 |
| Feb-06 | 234,341 | \$72,713,728 | \$54,937,645 | \$17,776,082 | 611,062 | 249,802 | 355,661 |
| Mar-06 | 234,253 | \$84,901,218 | \$64,521,083 | \$20,380,135 | 700,288 | 288,200 | 405,664 |
| Apr-06 | 234,623 | \$73,011,614 | \$54,579,353 | \$18,432,261 | 602,324 | 241,430 | 354,846 |
| May-06 | 234,631 | \$83,670,333 | \$63,349,240 | \$20,321,093 | 661,105 | 266,082 | 388,271 |
| Jun-06 | 234,812 | \$83,292,644 | \$63,805,613 | \$19,487,032 | 648,665 | 271,143 | 370,937 |
| Jul-06 | 235,076 | \$79,018,550 | \$60,090,494 | \$18,928,056 | 629,743 | 257,461 | 365,064 |
| Aug-06 | 233,327 | \$83,375,839 | \$63,085,910 | \$20,289,930 | 665,712 | 269,528 | 386,718 |

NOTE: Includes run out data from all Carriers

The following illustrates the change in incurred claims amounts (includes medical and Rx) by rolling year.

| Incurred Rolling Years | Members | Total Medical and Rx Claims | Total Medical Claims | Total RX Claims |
|------------------------|---------|-----------------------------|----------------------|-----------------|
| Sep 2004 - Aug 2005 | 228,704 | \$802,230,057 | \$622,488,315 | \$180,261,351 |
| Sep 2005 - Aug 2006 | 233,769 | \$914,674,753 | \$698,709,373 | \$216,267,559 |
| % Change (Roll Yrs) | 2.20% | 14.00% | 12.20% | 20.00% |